

AS

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 90-588-G - ORDER NO. 96-96 ✓
FEBRUARY 9, 1996

IN RE: South Carolina Pipeline Corporation -) ORDER
Maximum Rates for Industrial Customers) APPROVING
) MONITORING
) PROCESS
)

This matter comes before the Public Service Commission of South Carolina (the Commission) for approval of a monitoring process for industrial rates of South Carolina Pipeline Corporation (Pipeline or the Company). Our Order No. 95-1717 indicated the Commission's belief that we should be able to monitor the outcomes of price caps in the future in some manner to evaluate their appropriateness. We opined that Pipeline should provide information to the Commission on a periodic basis to demonstrate the impacts of the caps on its industrial customers. We further noted in Order No. 95-1717 that the Commission Staff had proposed a number of parameters to monitor, as has Pipeline. The Commission held that Staff should develop a monitoring process, and serve the plan on the parties in the case for comments, and bring a final monitoring plan back to this Commission for approval. The Commission stated its belief that by adopting such a process, the Commission would be able to evaluate whether competition is continuing to work in the gas market in

South Carolina.

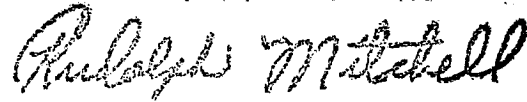
Pursuant to that Order, the Commission Staff developed a proposed monitoring plan. See Exhibit A. The Staff served this on various parties and received comments from three of the parties. Pipeline stated that it generally agreed that the proposed reporting requirements would provide the Commission Staff with ample information to enable the Commission to monitor the effects of the price caps on Pipeline's industrial customers. Pipeline stated that it could provide the information requested in the format and under a timetable consistent with the Staff's proposal.

South Carolina Energy Users Committee filed comments stating that the Staff monitoring proposal was insufficient, as such and then went on to pose separate monitoring questions. South Carolina Electric & Gas Company filed a letter, but took no position on the Staff plan.

The Commission has examined the proposed Staff monitoring language, and the comments submitted by the parties in this case, and concludes that Staff's proposed monitoring process is reasonable, and should provide the Commission Staff with ample information to enable the Commission to monitor the effects of the price caps on Pipeline's industrial customers. We therefore approve Staff's plan as filed, effective on the date of this Order.

This Order shall remain in full force and effect until
further Order of the Commission.

BY ORDER OF THE COMMISSION:



Chairman

ATTEST:


Deputy Executive Director

(SEAL)

DOCKET NO. 90-588-G - SOUTH CAROLINA PIPELINE CORPORATION -
MAXIMUM RATES FOR INDUSTRIAL CUSTOMERS

STAFF PROPOSED MONITORING LANGUAGE

THE COMMISSION REQUIRES THE FOLLOWING DATA AND REPORTS BE FILED BY SOUTH CAROLINA PIPELINE CORPORATION (SCPC) FOR THE PURPOSE OF MONITORING THE MAXIMUM MARKUPS TO INDUSTRIAL PURCHASERS OF NATURAL GAS.

I. FINANCIAL REPORTING

SCPC SHALL FILE A REPORT EACH QUARTER OF THE FINANCIAL RESULTS OF ITS OPERATIONS FOR THE MOST RECENT TWELVE MONTH PERIOD. THIS FINANCIAL REPORT SHALL PROVIDE DATA, AT A MINIMUM, ON UTILITY PLANT, RATE BASE, EXPENSES, TAXES, MARGIN REVENUES AND CAPITAL STRUCTURE. THE REPORT SHALL ALSO INCLUDE RATE OF RETURN CALCULATIONS BY TOTAL COMPANY AND BY CUSTOMER CLASS INCLUDING AND EXCLUDING ACQUISITION ADJUSTMENT. AS IN THE PAST, SCPC SHALL CONTINUE TO FILE THIS FINANCIAL INFORMATION ON A QUARTERLY BASIS.

II. TRANSACTION REPORTING

MARKET TRANSACTION DATA FOR INDUSTRIAL NATURAL GAS SALES IS TO BE PROVIDED BY SCPC ON A SEMIANNUAL BASIS. THIS TRANSACTIONAL DATA SHALL BE FILED WITH THE QUARTERLY FINANCIAL REPORTS FOR MARCH 31 AND SEPTEMBER 30 EACH YEAR. TRANSACTION REPORTS SHALL PROVIDE, BY MONTH FOR THE SIX MONTHS REPORT, THE NUMBER OF TIMES INDUSTRIAL CUSTOMERS INVOKE THE COMPETITIVE FUEL CLAUSE OF THEIR CONTRACTS, THE NUMBER OF TIMES SCPC AGREED TO SALES BELOW THE BASE RATE IN THE INDUSTRIAL CONTRACTS, THE NUMBER OF INDUSTRIAL CUSTOMERS REJECTING SCPC'S SALES PRICE OF NATURAL GAS, AN ESTIMATE OF THE VOLUME OF NATURAL GAS LOST TO ALTERNATIVE FUELS, THE NUMBER OF INDUSTRIAL CUSTOMERS WHO TRANSPORT NATURAL GAS ON SCPC AND THE VOLUME OF THAT GAS TRANSPORTATION AND AN ESTIMATE OF THE REVENUE LOST BETWEEN ACTUAL GAS SALES PRICES TO INDUSTRIAL CUSTOMERS AND THE REVENUE THAT WOULD HAVE BEEN RECEIVED AT FULL CAP MARGINS. SCPC SHOULD CONTINUE TO FILE ALL INDUSTRIAL NATURAL GAS SALES CONTRACTS WITH THE COMMISSION; THE COMMISSION STAFF WILL TRACK WHETHER THE NEGOTIATED MARKUPS ARE AT OR BELOW THE CAP LEVEL AS NEW CONTRACTS ARE FILED.

III. ECONOMIC CONDITIONS REPORTING

TO COMPLETE THE MARGIN INFORMATION, DATA ON INDUSTRIAL ECONOMIC CONDITIONS SHOULD BE REPORTED BY SCPC ON THE SAME SEMIANNUAL BASIS AS THE TRANSACTIONS REPORT. SCPC SHALL FILE WITH THE COMMISSION PRICE INDEXES, INCLUDING THE PRODUCER PRICE INDEX, THE CONSUMER PRICE INDEX AND THE GROSS DOMESTIC PRODUCT PRICE DEFLATOR. THIS INDUSTRY CONDITIONS REPORT SHALL ALSO INCLUDE BOTH THE DEPARTMENT OF TRANSPORTATION MEASURE FOR GAS UTILITY SECTOR PRODUCTIVITY AND THE AVERAGE INDUSTRIAL GAS PRICES OF THE SOUTH ATLANTIC STATES BASED UPON THE DEPARTMENT OF ENERGY ECONOMIC INFORMATION ADMINISTRATION DATA SOURCES.

THE REPORTS FILED BY SCPC ARE PUBLIC DOCUMENTS AND MAY BE VIEWED BY INTERESTED PERSONS AT THE COMMISSION'S OFFICE DURING ORDINARY BUSINESS HOURS.